



General Assembly

**Substitute Bill No. 377**

February Session, 2004

\* \_\_\_\_\_SB00377FIN\_\_\_\_042104\_\_\_\_\_\*

**AN ACT CONCERNING A CONSTRUCTION WORK CHARGE FOR  
SMALL WATER COMPANIES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. (NEW) (*Effective from passage*) (a) For purposes of this  
2       section, "class B water company" means a water company, as defined  
3       in section 16-1 of the general statutes, as amended, with revenues of  
4       not less than one hundred thousand dollars and not more than four  
5       hundred ninety-nine thousand nine hundred ninety-nine dollars and  
6       "class C water company" means a water company, as defined in section  
7       16-1 of the general statutes, as amended, with revenues of not more  
8       than ninety-nine thousand nine hundred ninety-nine dollars.

9       (b) Notwithstanding the provisions of chapter 277 of the general  
10       statutes, a class B or class C water company may file an application  
11       with the Department of Public Utility Control for a surcharge for  
12       construction work by such company for projects eligible pursuant to  
13       subsection (c) of this section. Prior to the commencement of such  
14       construction, the department shall conduct a contested case  
15       proceeding to approve any such project and to establish such  
16       surcharge through which the subject water company may recover from  
17       its customers, on a quarterly basis, a return associated with such  
18       project.

19       (c) Projects that may be eligible for the construction work surcharge

20 are those class B or class C water company plant projects that (1) are  
 21 necessary to improve or protect the quality and reliability of service to  
 22 customers, and (2) renew or replace existing facilities or are new  
 23 facilities, including, but not limited to, the elimination of dead ends  
 24 that have resulted from the relocation of existing facilities pursuant to  
 25 government action for which the company will not otherwise be  
 26 reimbursed.

27 (d) Within any twelve-month period, the total surcharge for  
 28 construction work collected by a company shall not be more than ten  
 29 per cent of the applicable monetary rate classification of a class C water  
 30 company and not more than seven and one-half per cent of the  
 31 applicable monetary rate classification of a class B water company.

32 (e) The department shall adopt regulations, in accordance with the  
 33 provisions of chapter 54 of the general statutes, to implement the  
 34 provisions of this section including, but not limited to, filing, public  
 35 notice and customer billing requirements.

This act shall take effect as follows:	
Section 1	<i>from passage</i>

**ET**            *Joint Favorable Subst.*

**FIN**          *Joint Favorable*